



Nov, 2013

Disclaimer Statement

Our discussion may include predictions, estimates or other information that might be considered forward-looking. These forward-looking statements generally can be identified by phrases such as "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe the Company's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. While these forward-looking statements represent our current judgment on what the future holds, all such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements and you are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Throughout the presentation, we will attempt to present some important factors relating to our business that may affect our predictions. You should also review our most recent Prospectus and Annual Report for a more complete discussion of these factors and other risks, particularly under the heading "Risk Factors." [For more information, please check the Company's Investor Relations website at eslitespectrum.com.tw

Agenda

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Company Profile

Founded	September, 2005
Capital	NT\$451.33mn
Major shareholder	The Eslite Corp. (52%)
Employees	887 worldwide
Business	Branded platform bridging creativity with <ul style="list-style-type: none">● Retail Management (40 stores in Taiwan and 1 in HK; with total floor space of 228,000 m²)● Food Services● Self-operated hotel

Awards & Recognition

- 1st in Golden Service Awards, 2012 & 2013 (Common Wealth Magazine)
- Global Rankings for Cultural and Creative concept stores (Knack Weekend)

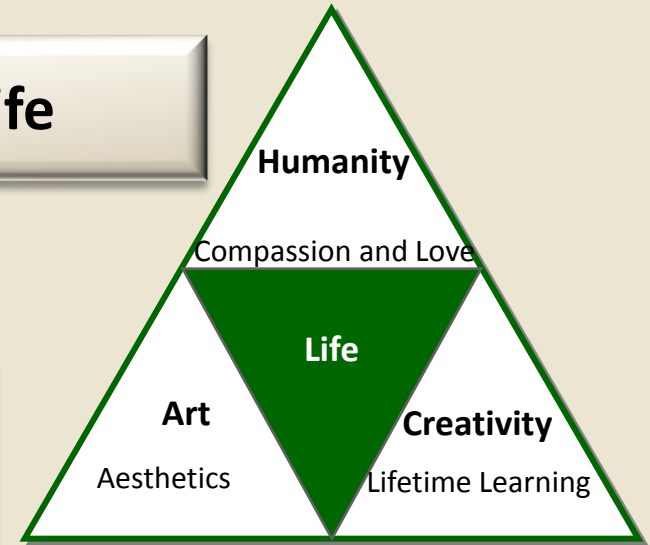
eslite spectrum Value & Vision

- Core Values

Humanity, Art, Creativity to **Life**

Life Value

Compassion, Love , Aesthetics,
Lifetime Learning



- Vision

To be the most influential brand leader in the
Cultural and Creative segment among Chinese communities around the world.
To actively contribute and promote Humanities, Art, Creativity to Life.

Group Organization



Retail Management

An innovative platform that brings together Humanity Art, Creativity and Life



- Leverages commercial value of Eslite bookstore branding and huge customer flow
- Provides distinctive shopping experience by cultivating humanity, art, creativity into lifestyle
- Caters to chic and expectations of surrounding communities



Business Model



Property
Owner



誠品生活
Eslite Spectrum



Property
Owner



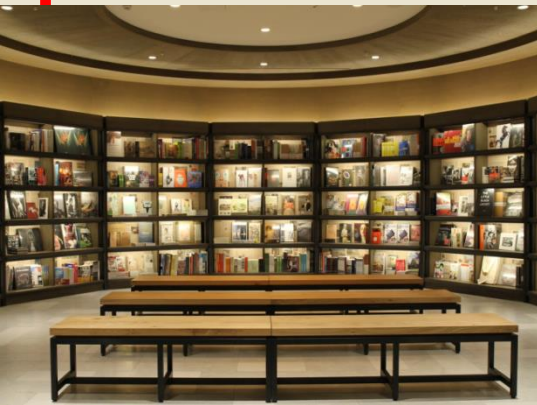
Consumers

upscale	commuter	youth
white collar	Home worker	tourist

Core Competency

Differentiation

A chain in which each link is UNIQUE



Wide range of floor sizes
Variety of store formats
Diverse target customers

Innovation

LIFESTYLE related marketing campaign

1,000+
name brands

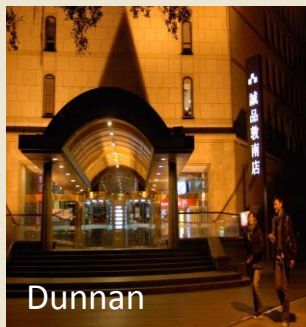
120Mn+
visitors a year

800K+
TWN members

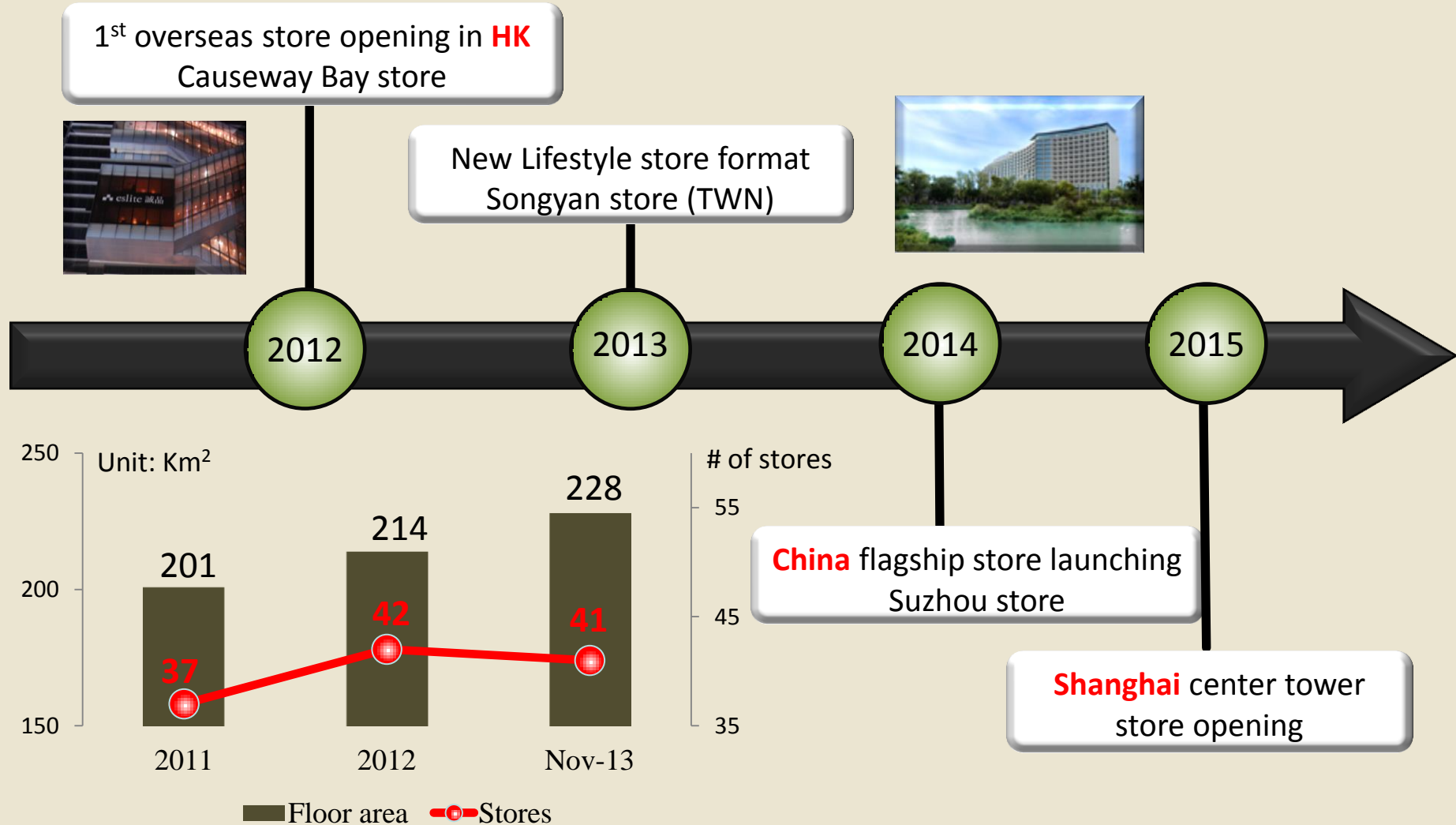


Unique Retail Portfolio

Region (# of stores)	Store	Focus
Taipei East (4)	Xinyi (flagship) Dunnan, Zhongchen Songyan	International visitors,, serious readers, original works, lifestyle, family designer workshop
Taipei West (5)	Wuchang, Ximen, Eslite 116, Banqiao, Xinban	Teenagers, trend setting, fashion
High traffics (3)	Taipei MRT Station, Taipei Train Station, Taiwan U. Hospital	Commuters, convenience, healthcare,
Others (28)	Taichung Park Lane, Taiwan U. Campus, 8 smaller stores in Taipei 21 in the rest of Taiwan	Customized for local tastes, small-mid size stores
Overseas (1)	Causeway (HK)	



Store Roadmap



Food Services (FS)

One-stop solution provider for leisure industries converting living experiments to art



- Primary agent for world class brands for specialty kitchen and laundry equipment
- One-stop solution provider
design/planning - installation - maintenance services
- Chic selection for food & beverages, and hospitality supplies
- Self-operated leisure venues: 10 sites covering gourmet restaurants, lounge and fines wine cellars



FS- World Class Brands

Kitchen Equipment



Coffee and Food



Laundry Equipment



Hotel & Restaurant Supplies



FS- Customer Base

Hotels



Corporate Canteens



Fast Food Chains



Hospitals



Restaurants



Outlook and Strategies

Taiwan

Floor space expansion and launching hotel business

- New store in Songshan Cultural and Creative Park (SCCP)
- Opening of art-themed hotel in SCCP

Hong Kong

Introducing Taiwan's brand names to the world

- Causeway Bay store (Aug. 2012) & more
- 2~3 new stores in 3 years

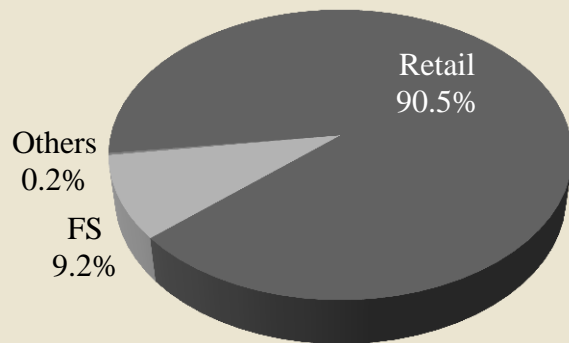
China

Growing with China's 12th "Five-year Plan"

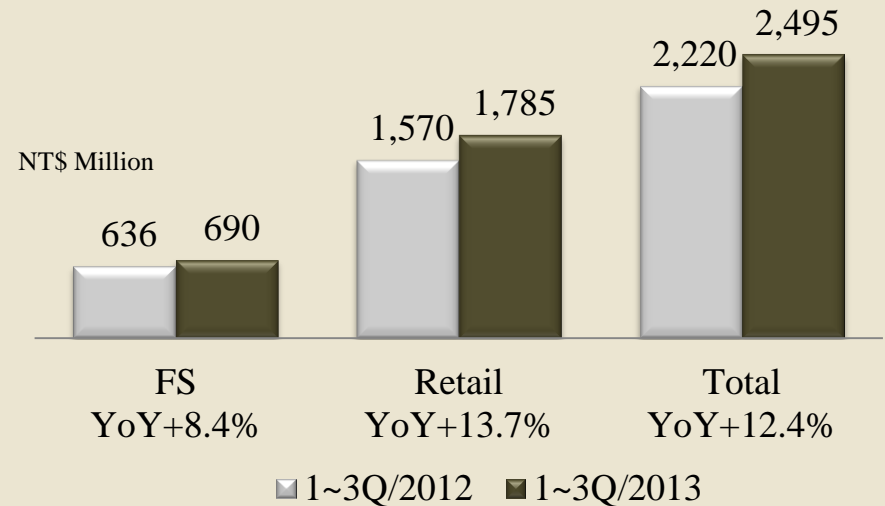
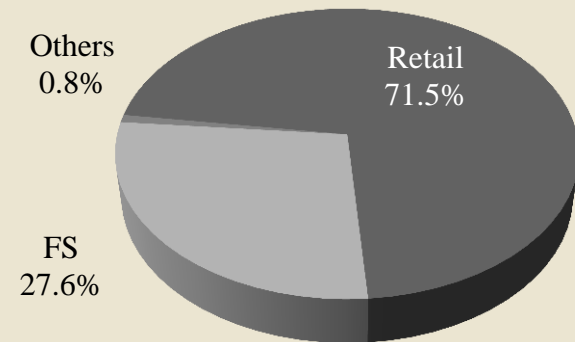
- Suzhou Eslite Cultural Complex commerce operation in 2014
- Tier 1 city expansion : Beijing, Shanghai, Wuxi, Nanjing, Hangzhou and Shenzhen

Sales Breakdown

FY2012
R.O.C. GAAP

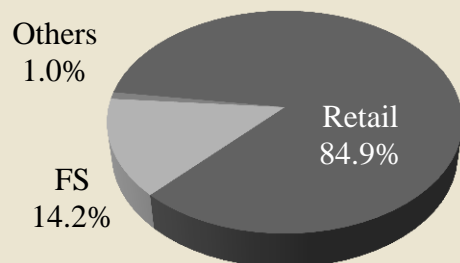


1~3Q/2013
IFRSs

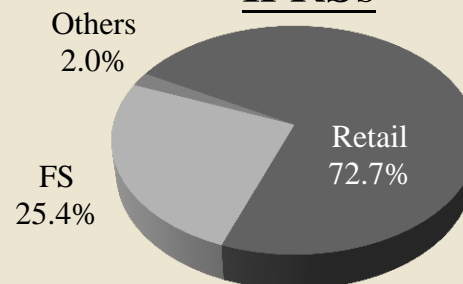


Growing Profitability- GP

FY2012
R.O.C. GAAP

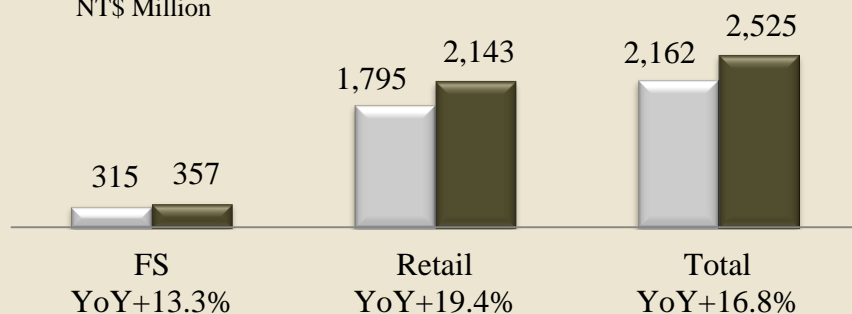


1~3Q/2013
IFRSs



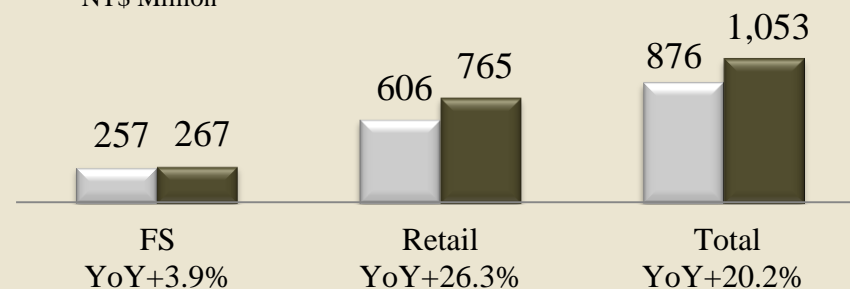
■ FY2011 ■ FY2012

NT\$ Million



■ 1~3Q/2012 ■ 1~3Q/2013

NT\$ Million



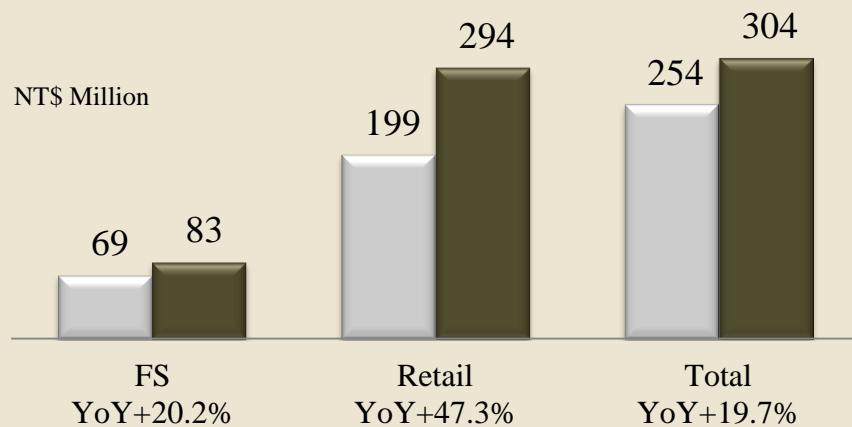
Gross Margin (%)	FS	Retail	Total
FY2012	36.4%	22.3%	23.8%
FY2011	40.3%	21.1%	23.2%

Gross Margin (%)	FS	Retail	Total
1~3Q/2013	38.7%	42.9%	42.2%
1~3Q/2012	40.4%	38.6%	39.5%

Growing Profitability- OP

R.O.C. GAAP

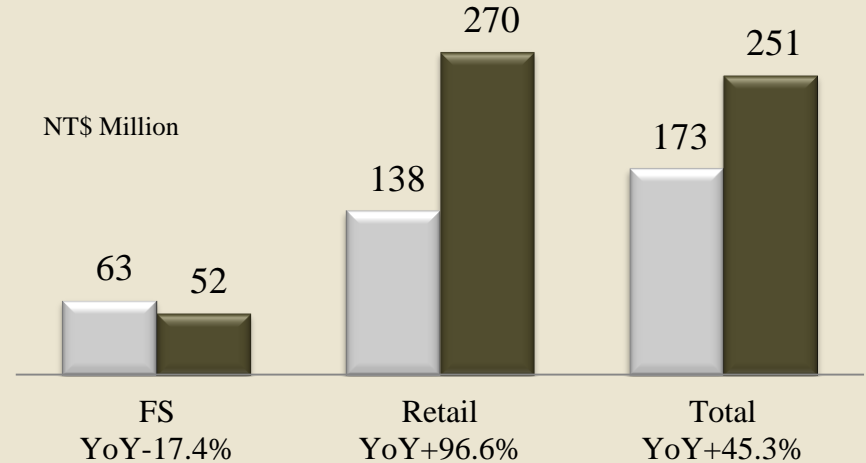
■ FY2011 ■ FY2012



Operating Margin (%)	FS	Retail	Total
FY2012	8.5%	3.1%	2.9%
FY2011	8.8%	2.3%	2.7%

IFRSs

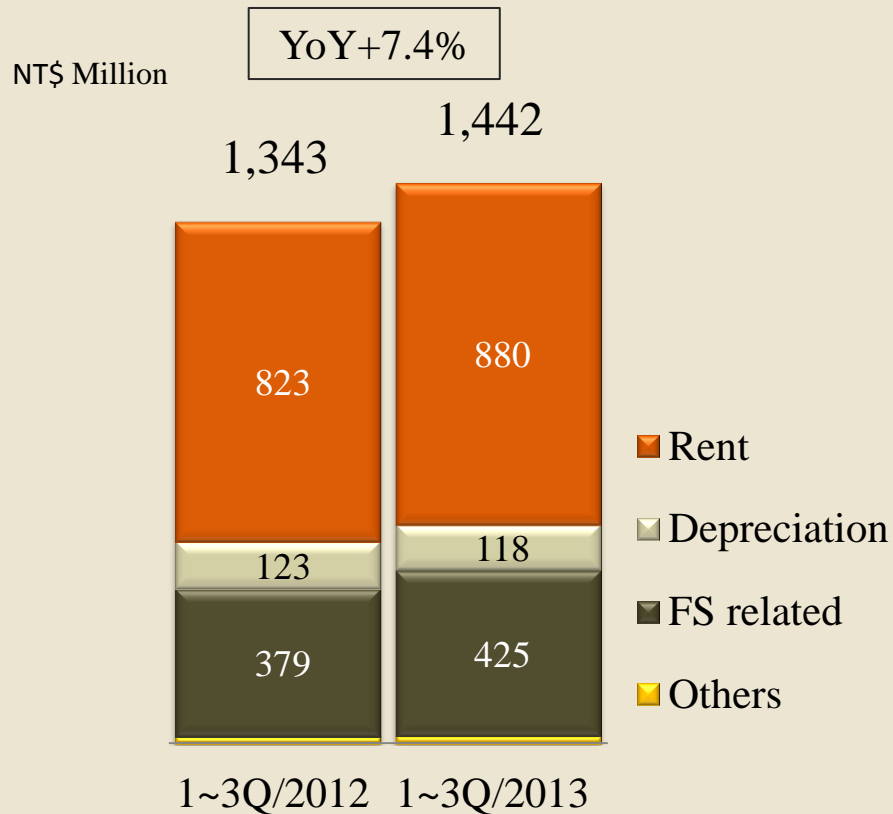
■ 1~3Q/12 ■ 1~3Q/13



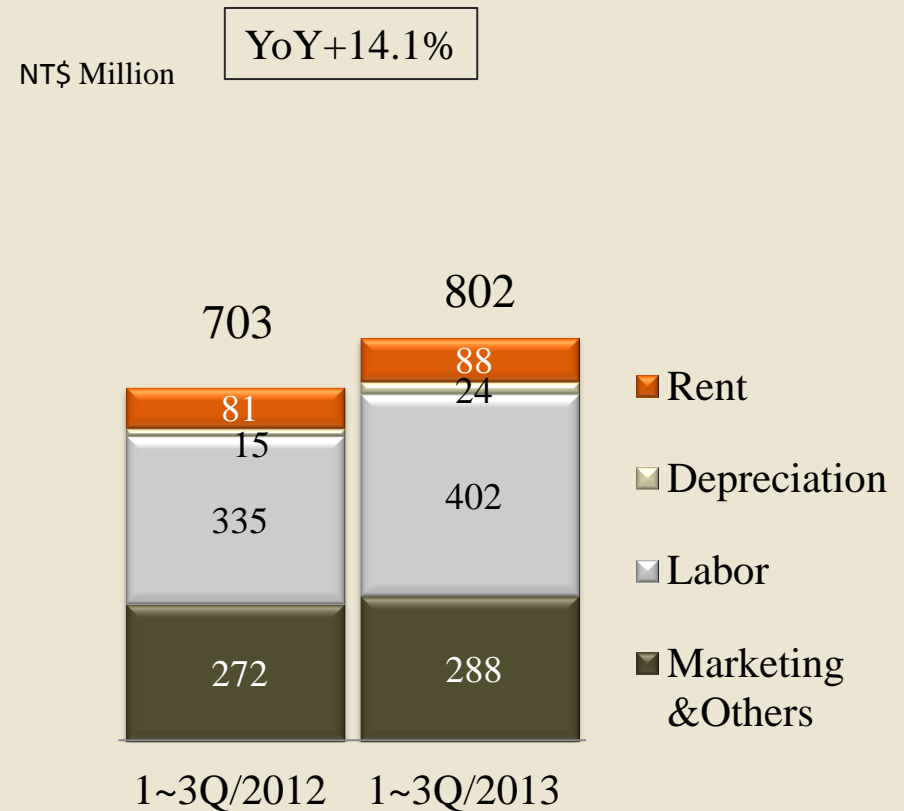
Operating Margin (%)	FS	Retail	Total
1~3Q/2013	7.5%	15.2%	10.1%
1~3Q/2012	9.9%	8.8%	7.8%

Cost & Expense Structure

Cost



Expense



Consolidated Income Statement

NT\$ Million	IFRSs			R.O.C GAAP		
	1~3Q/2013	1~3Q/2012	YoY(%)	FY2012	FY2011	YoY(%)
Sales	2,495	2,220	12.4%	10,597	9,321	13.7%
Gross Profit	1,053	876	20.2%	2,525	2,162	16.8%
Gross Margin (%)	42.2%	39.5%	+2.7ppt	23.8%	23.2%	+0.6ppt
Operating Expense	802	703	14.1%	2,221	1,908	16.4%
Operating Profit	251	173	45.1%	304	254	19.7%
Operating Margin (%)	10.1%	7.8%	+2.3ppt	2.9%	2.7%	+0.1ppt
Non-Operating Income(Loss)	32	24	33.3%	41	6	583.3%
Pre-tax Profit	283	197	43.7%	345	260	32.7%
Taxation	49	39	25.6%	63	41	53.7%
Net Income	234	158	48.1%	282	219	28.8%
Net Margin (%)	9.4%	7.1%	+2.3ppt	2.7%	2.3%	+0.3ppt
Comprehensive Income	234	157	49.0%			
EPS (NT\$)	5.24	3.85	+\$1.39	6.89	5.35	+\$ 1.54

Consolidated Balance Sheet

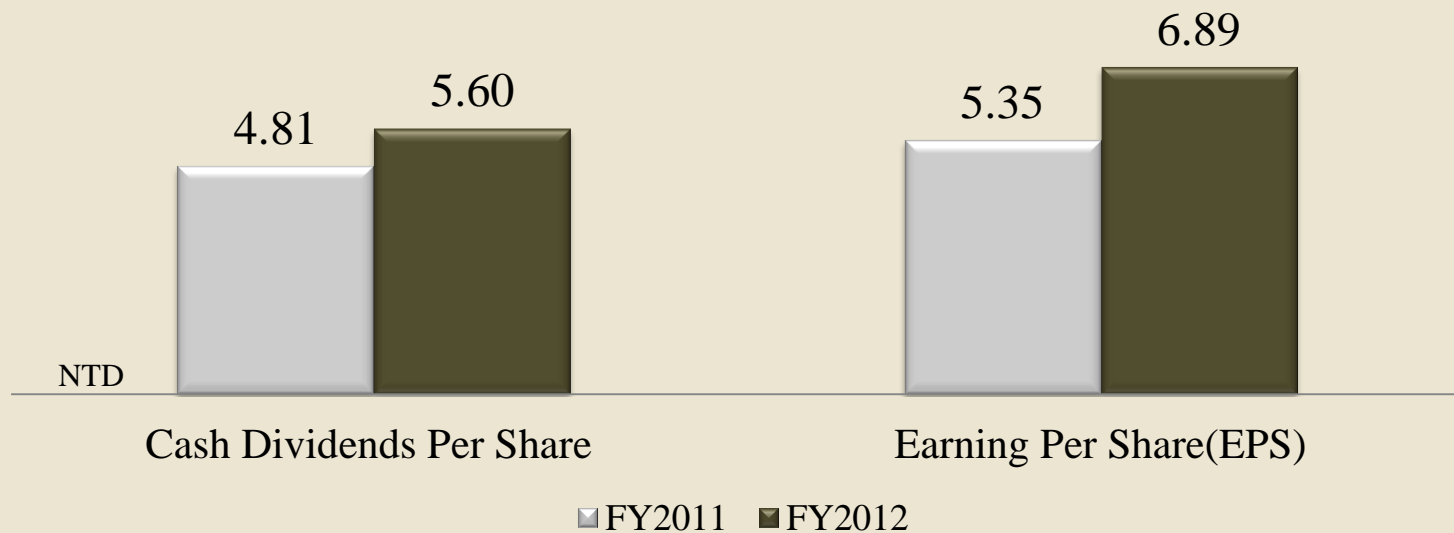
NT\$ Million	IFRSs		R.O.C. GAAP	
	1~3Q/2013	1~3Q/2012	FY2012	FY2011
Cash & Cash Equivalents	1,016	891	966	717
Accounts & notes Receivable	382	416	444	412
Inventories	306	276	274	239
Other Current Assets	311	231	200	200
Current Assets	2,015	1,814	1,884	1,568
Investment	49	46	46	46
Net P, P&E	1,317	916	964	803
Others	298	272	241	236
Total Assets	3,679	3,048	3,135	2,653
Short-term Loans	0	57	109	-
Accounts & notes Payables	1,306	1,508	1,557	1,397
Other Current Liabilities	660	530	514	393
Non-current Liabilities	372	249	68	60
Total Liabilities	2,338	2,344	2,248	1,850
Capital –Common Stock	451	410	410	410
Total Shareholders' Equity	1,341	704	887	803
ROE (annualized)	30.4%	28.9%	33.4%	30.7%
Current Ratio	102.5%	86.6%	86.4%	87.6%

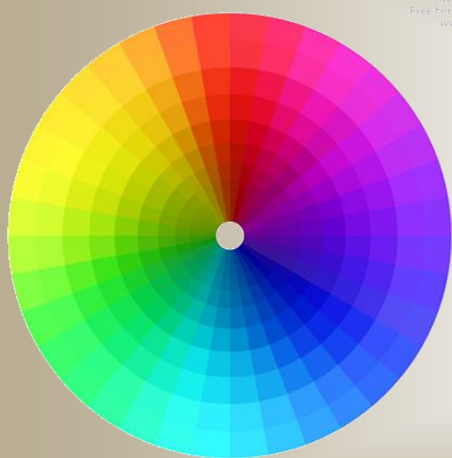
Consolidated Cash Flow

NT\$ Million	IFRSs		R.O.C GAAP	
	1~3Q/2013	1~3Q/2012	FY2012	FY2011
Cash Flow from Operating Activities	42	407	643	827
CAPEX	(271)	(223)	(242)	(157)
Cash Flow from Investing Activities	(284)	(236)	(254)	(238)
Common Stock Issue	645	-	-	-
Cash Dividends Paid	(253)	-	(197)	(43)
Cash Flows from Financing Activities	293	3	(140)	(240)
Net Increase in Cash & Cash Equivalents	51	174	249	350
Cash & Cash Equivalents at Beginning of Period	965	717	717	367
Cash & Cash Equivalents at End of Period	1,016	891	966	717

Dividend Trend

NTD	FY2011	FY2012
Cash Dividends Per Share (A)	4.81	5.60
Earnings Per Share(EPS) (B)	5.35	6.89
Payout Ratio (A/B)	89.9%	81.3%





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